

The
PENINSULA
SHARE BLOCK (PROPRIETARY) LIMITED
ANNUAL REPORT
2022

These financial statements were internally prepared by Vee de Freitas.
These financial statements have been audited in compliance with the applicable requirements of the Companies
Act 71 of 2008.
Published 31 March 2023.

The
PENINSULA
SHARE BLOCK (PROPRIETARY) LIMITED
ANNUAL REPORT
2022

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ANNUAL
FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2022

The

PENINSULA

SHARE BLOCK (PROPRIETARY) LIMITED

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

DIRECTORS

A M Schlesinger · R W Dickson · H A F Patrick · R N Dickson

NATURE OF BUSINESS

Property timesharing scheme, known as “The Peninsula”

BUSINESS ADDRESS

313 Beach Road, Sea Point 8005

POSTAL ADDRESS

P O Box 50453, Waterfront, 8002

BANKERS

Standard Bank of South Africa Limited

AUDITORS

BDO Cape Inc.

COMPANY REGISTRATION NUMBER

1938/011635/07

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The annual financial statements were approved by the directors on 31 March 2023 and signed on their behalf by:



DIRECTOR
(H A F Patrick)



DIRECTOR
(R W Dickson)



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Cape Town, 8000

Independent Auditor's Report

To the shareholders of
Peninsula Share Block Proprietary Limited

Opinion

We have audited the financial statements of Peninsula Share Block Proprietary Limited (the company) set out on pages 15 to 28, which comprise the statement of financial position as at 31 December 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Peninsula Share Block Proprietary Limited as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Peninsula Share Block Proprietary Limited Annual Financial Statements for the year ended 31 December 2022", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO South Africa Incorporated
BDO South Africa Incorporated (Mar 31, 2023 15:45 GMT+2)

BDO South Africa Incorporated
Registered Auditors
Chartered Accountants (SA)

Jason Glass
Director
Chartered Accountant (SA)
Registered Auditor

31 March 2023

119-123 Hertzog Boulevard
Foreshore
Cape Town, 8001

The

PENINSULA

SHARE BLOCK (PROPRIETARY) LIMITED

DIRECTORS' REPORT

The members, **THE PENINSULA SHARE BLOCK (PROPRIETARY) LIMITED**

The directors have pleasure in presenting their report for the year ended 31 December 2022.

NATURE OF BUSINESS

The company operates a timesharing scheme in respect of the property it owns known as "The Peninsula". The ownership of a share block in the company is linked to occupation rights granted in terms of use agreements with share block holders.

REVIEW OF ACTIVITIES

The results of the company and the state of its affairs are set out in the attached financial statements.

MANAGEMENT

The policy of the company is determined by the board of directors, subject to the decisions of the company in general meetings.

In terms of a written contract, the management of the company's timesharing scheme and the related hotel operation is conducted by Peninsula Management (Proprietary) Limited a wholly owned subsidiary of Dream Hotels and Resorts (Proprietary) Ltd, part of the Leisure Options Group.

In terms of a written subcontract with Peninsula Management (Proprietary) Limited, the management of the hotel is carried out by Dream Hotels and Resorts (Proprietary) Ltd, which currently manages or markets 23 hotels, game lodges and resorts in South Africa.

Dream Vacation Club ("DVC"), which is managed by Leisure Options (Pty) Ltd, is a points based membership club offering worldwide vacations on an exchange basis and remains the largest shareholder in the Share Block Company.

The Company's directors are set out on page 9 and those directors who are also directors of either of the two management companies or their holding company or trustees of the major shareholder are set out below:

Directors of Peninsula Management

A.M Schlesinger
R.W. Dickson
R.N. Dickson

Directors of Leisure Options

R.W. Dickson
R.N. Dickson

Directors of Dream Hotels & Resorts

R.W. Dickson
R.N. Dickson

Trustees of Dream Vacation Club

R.W. Dickson

LEVY FUND

Under the terms of their use and occupation agreements, owners are obliged to contribute to the levy fund of the company. The levy fund provides for the following:

- management and administration of the company
- repair, upkeep and management of the company's property which is used for purposes of a timesharing scheme and related hotel operations
- the discharge of any obligations of the company
- future expenditure in respect of fixed assets.

The basic weekly levies (inclusive of VAT) applicable to the four unit types are set out below.

	2022	2023
	R	R
Mini Suite	6,652	7,217
Luxury Suite	7,981	8,659
Super Luxury Suite	8,850	9,602
Royal Suite	11,106	12,050

In addition, there are supplementary seasonal weekly levies which cover additional facilities provided during peak and high season periods.

The year 2022 came with its challenges, seeing headline inflation hitting its highest level in 13 years at 7.8% in July and ending the year at 7.2%, while some expenses such as electricity (9.5%) and petrol (19%) increased above inflation. 2022 also proved to be the most intense period of rolling blackouts since the first implementation by the power utility, causing the resort to spend R619K in diesel to operate the generator.

The decision to increase the levies for 2022 by 3% was made after much consideration as the board was well aware that, as business returns to normal post-Covid, levies would need to increase by more than inflation in order to maintain the reserve at an acceptable level. This was the reason the levies for 2023 increased by 8.5%.

The levy fund receives "A" class levies from the timeshare owners, as reflected on the table of weekly levies set out above. It also receives "B" class levies, paid by the hotel operator from its trading income.

FINANCIAL RESULTS

The financial results of the Company are set out in the attached financial statements.

In accordance with the provisions of the Share Blocks Control Act, and in common with other timeshare operations in South Africa, this company raises an annual levy, which includes a provision for the maintenance and upkeep of the property. Asset replacement costs and major repairs to property, plant and equipment have been charged against this amount annually.

The Company adopted the International Financial Reporting Standards (IFRS) as of 2011 which requires specific accounting for Share Block companies. This required that the Property, namely Erf 1202, Sea Point West, Cape Town, measuring 5,738 square metres, be derecognized, as no future benefit is retained by the Share Block Company, because such benefits have been passed to timeshare owners who have acquired the right to occupy a specific unit for a specific period in each year. Consequently, the value of the Property is not reflected on the Statement of Financial Position of the Company.

AUDIT COMMITTEE

The report of the audit committee is included in the 2022 annual report.

SOCIAL AND ETHICS COMMITTEE

Since Peninsula Share Block Ltd has more than 500 individual shareholders, it is required in terms of Section 72(4) of the Companies Act 2008 and Regulation 43(5) of the Companies Regulations 2011, to have the above committee.

The responsibilities of this committee are as follows:

To monitor the company's activities, having regards to all legal requirements, with regard to matters relating to:

- a. Social and economic development as regards to its current and future employees.
- b. Good corporate citizenship, including sponsorship and development of its surrounding community.
- c. Protection of the environment including health and public safety.
- d. Consumer and public relations.
- e. Labour and employment relationships.

The report of the committee is included in the 2022 annual report.

MAINTENANCE AND REFURBISHMENT

Management continues to strive to maintain and improve the high standard of the building and the finishes at The Peninsula. A three-pronged programme, listed below, is in operation to meet these objectives.

1. Routine repairs and maintenance are budgeted for and expended as a normal levy expense.
2. Each suite is allocated a maintenance week between May and September. By grouping maintenance weeks within the building, management strives to ensure that any necessary maintenance refurbishment work is carried out with the minimum of inconvenience to owners and guests.

Points 1 and 2 were carried out at a total maintenance cost for the year of R1 280 703.

3. A long term programme for refurbishment, replacement and enhancement of fixed assets is reviewed and updated annually against a 10 year capex plan. The expenditure incurred in terms of this programme is charged against the Reserve for Expenditure on Fixed Assets and amounted to R10 664 531 during 2022. This included the following programmes and additions:
 - Replacing 28 suites' sleeper couches, bedspreads, curtains and other softs
 - Refurbishment of barstools, ottomans, dining chairs, dressing tables and tub chairs
 - Refurbishment of bedroom cupboard fronts in 15 suites
 - Replacing carpets in 27 suites
 - Refurbishment of 13 suite bathrooms and 5 shower conversions
 - Replacing floor tiles in 13 suite balconies
 - Replacing balcony doors in 12 suites
 - Enclosing and sound proofing the generator
 - Upgrade of lobby, the reception area, and guest relations desk

FIXED ASSETS

A gross amount of R5 983 758 was transferred from the levy fund to the reserve for expenditure on fixed assets and an amount of R10 664 531 was expended against the reserve.

At the end of the 2022 financial year, the reserve amounted to R7 324 812. This reserve is adequately covered by the cash resources of the company, which amounted to R6 029 198 at the balance sheet date and 24-hour notice unit trust investments of R9 625 774. The directors are committed to ensuring that the reserve for expenditure on fixed assets remains sufficient to maintain The Peninsula facilities at an appropriate level.

HOTEL OPERATIONS

The Peninsula Management Company is owned by Dream Hotels and Resorts who manage the Hotel operations on behalf of the Shareblock Company and own the "B" class shares running the Food and Beverage operations within the property,

2022 proved to be a year of recovery after the challenging post-Covid year of 2021, by year end the Peninsula had recovered to occupancy levels pre-pandemic and revenues ended ahead of budget. The year had started negatively with the UK having declared South Africa a no-go zone, on the discovery of the Omicron variant. Fortunately, the local market rallied with good occupancies experienced but at a lower than anticipated room rate. The last quarter of 2022 proved to be exceptional, recovering all the shortfalls seen in the first and second quarter.

Room revenue of R15 million showed a 218% increase on the previous year. The room sale efficiency in the rental pool was 78%, an increase of 43% and the average daily room rate increased by 29% to R2049.

With the Sunset Restaurant having been closed during 2021 and the area utilized as an extension to Strolla it was agreed to open the dividing wall and combine the two dining areas and rename the restaurant Strolla Poolside. The previously known Corona Deck underwent a full makeover sponsored by Heineken and is now referred to as the Heineken Deck. Faces Bar and Lounge still operate as before and the wooden deck area around the pool is now referred to as The Sunset Terrace.

Food and Beverage income for 2022 was R16.5 million, an increase of R3.6 million on the previous year and was more than budgeted by R758K.

The Food and Beverage contribution to "B" class levy income of R1.4 million grew from R634K to R827K, however the total decreased on previous year by R372K due to no external services income. This service was offered during Covid to offset Housekeeping and Maintenance wages whilst the property experienced low occupancies and prevented retrenchments.

2022 total income was 0.7% better than budget and 27% more than previous year.

The Peninsula has maintained the 4-star hotel grading from the Tourism Grading Council and achieved a level 8 BBBEE rating for the Management Company. The resort achieved 84% for its external ORMS audit and continues to pride itself on sustainability through its association with ERO and our established greening program.

After what had been a shaky start Peninsula Management year end results exceeded all expectations with expenses well controlled and revenues exceeding budget.

PROPERTY ENHANCEMENTS

The design decisions are made by a committee who meet quarterly to discuss changes and implementation of interior design, consisting of Dee De Kock (Interior Designer), Anthea Faulds, Brent Johansen, Yusuf Petersen, and Chris Godenir.

In 2022 we completed the soft refurbishment planned, consisting of 28 suites. The refurbishment includes replacing sleeper couches, bedspreads, curtains and the refurbishment of barstools, ottomans, dining chairs, dressing tables and tub chairs.

In addition to the soft refurbishment, we continued with the bathroom upgrade on 13 suite bathrooms and 5 shower conversions, replaced carpets in 27 suites, replaced floor tiles on 13 suite balconies, replaced balcony doors in 12 suites, and the refurbishment of bedroom cupboard fronts in 15 suites.

Our major project for the year was the upgrade of our new layout for Reception and Guest Relations desks with the addition of a third staircase leading into the lobby area and the new ceiling and lighting configuration.

Due to the excessive use of our generator caused by the increased frequency of load shedding and noise emissions being over the municipality by-law requirement, we were required to carry out an unplanned project to acoustically enclose this essential piece of equipment at an expense of R700K. In hindsight money very well spent.

The Peninsula has a comprehensive rolling 10-year capital refurbishment plan to ensure that it maintains its status as the Premier Timeshare Resort in South Africa. Management is willing to go through the finer details with any shareholder when visiting the property. Please read the 2023 Newsletter explaining the new design concept on Darwin scheme.

COVID-19 – GOING CONCERN 2023

The Omicron variant made its appearance in the country in November 2021, causing several countries to issue travel bans from South Africa and its neighbouring countries. The country was entering a 4th wave by 1 December 2021. However, with the replicated vaccines available, further easing of restrictions came into effect on 23 March 2022, including dropping the requirement to wear masks outdoors, although it was still a requirement to wear masks indoors and in public vehicles, and reducing social distancing to 1 metre. On 4 April 2022, the National State of Disaster was terminated, although some transitional provisions remained in place for a period of 30 days. All remaining health regulations regarding Covid-19 were ended on 22 June 2022. Early in 2022, the company focused on the local tourist market, achieving high demand, which compensated for the loss of the international market due to the presence of the Omicron variant. Globally, the Covid-19 pandemic took more of a background role for much of the year as infection numbers eased and countries ended hard lockdowns. By March 2022, the international market started returning. Business returned to pre-Covid normal by June 2022 and 2023 is looking strong with advance accommodation bookings already in place.

In relation to the Directors assessment of the ability of the entity to continue as a going concern, they are confident that the company will remain viable and will meet its obligations as they fall due in the ordinary course of business.

SHARE CAPITAL

The share capital of the company is divided into share blocks. The ownership of a share block confers occupation rights of the company's property, granted in terms of use agreements with share block holders, which inter-alia provide for the following:

- the granting of exclusive rights of use and occupation of accommodation for determinable periods during the year
- levy contributions

DIVIDENDS

Due to the nature of the company's operations, no dividends were declared or paid.

DIRECTORS

The directors of the company in office during the year and at the date of this report are:

A.M. Schlesinger	-	"B" class director and chairman
R.W. Dickson	-	"A" class director
H.A.F. Patrick	-	"A" class director
R.N. Dickson	-	"B" class director

SECRETARY

The secretary of the company is: Leisure Options (Pty) Ltd
310 Main Road
Bryanston 2021
Postal address: P.O.Box 786027
Sandton 2146

REPORT OF THE AUDIT COMMITTEE

1. MEMBERSHIP

The shareholders appointed the committee for the 2022 financial year at the annual general meeting in October 2022 and will be requested to approve the appointment of the chairman and members of the committee for the 2023 financial year at the annual general meeting scheduled for June 2023.

The committee consists of the following independent and non-executive Directors of the company together with the company Financial Manager and the Company Compliance officer:

Weston Dickson
 Nick Dickson
 Hugh Patrick – Chairman
 Anthea Faulds
 Vee de Freitas – Financial Manager
 Abdul Davids – Compliance Officer

The committee is satisfied that the members thereof have the required knowledge and experience as set out in section 94 (5) of the Companies Act 71 of 2008 and regulation 42 of the Companies Regulations 2011.

2. MEETINGS HELD BY THE COMMITTEE

The committee meets with the internal accounts department and external auditors on a regular basis, also without management and other directors being present, and considers its findings and recommendations, as well as other information that may be relevant in carrying out their mandate or specific tasks entrusted to it by the board. The external auditors have unrestricted access to the chairman of the committee, which ensures that their independence is not impaired. Anthea Faulds in charge on Internal Auditing for DHR joined the Committee in August 2022.

The Audit Committee held four meetings during the year.

Attendance at the meeting is shown in the table below:

Director	03/03/2022	09/06/2022	31/08/2022	20/10/2022
Mr. Hugh Patrick	√	√	√	√
Mr. Weston Dickson	√		√	√
Mr. Nick Dickson	√	√	√	√
Mr. Vee de Freitas – Fin. Manager	√	√	√	√
Mrs Anthea Faulds			√	√
Mr. Abdul Davids – Compliance Officer		√	√	√
External Auditors – Jason Glass	√			√
External Auditors – Matthew Esbach	√			√

3. KEY FUNCTIONS AND RESPONSIBILITIES

The Committee:

In the execution of its duties according to the requirements of the Companies Act, the committee is responsible for the discussion and determination of:

- The effectiveness of internal control systems and risk management, including information technology, as well as the quality of management information, accounting policy and reporting to share holders and other interested parties;
- The independence of the auditors and the annual fees to be paid to them;
- The extent of and fees payable for any non-audit work to be performed by the auditors;
- Any concerns or complaints relating to the accounting practice, the auditing of the financial statements and the internal financial control environment;
- Any submissions to be made to the board on matters concerning the company's accounting policies, financial control, recording and reporting;
- The accuracy of the annual financial statements as prepared by the auditors;
- Any recommendations to be made to the board or the shareholders;

REPORT OF THE AUDIT COMMITTEE

- Co-operation with the Social and Ethics Committee including the attendance of the Committee Chairman at meetings of the S & E Committee;
- Continuous review of the effectiveness of the company's IT systems.
- The financial, enterprise-wide, market, regulatory, safety and other risks and control issues, and to monitor controls designed to minimise these risks.

4. INTERNAL CONTROL AND INTERNAL AUDIT

The Committee:

- Reviewed and approved the annual internal audit plans and evaluated the independence, effectiveness and performance of the internal audit function;
- Considered the report of the internal auditors on the company's systems of internal control including financial controls, business risks, management and maintenance of effective internal control systems;
- Received assurances that proper accounting records were maintained and that the systems safeguarded the company's assets' against unauthorized use or disposal;
- Reviewed issues raised by internal audit and the adequacy of corrective action taken by management in respect thereto;
- Assessed the adequacy of the performance of the internal audit function and found it satisfactory;
- Reviewed the renewed physical internal audits whereby Peninsula staff audited another group location and vice versa;
- Arranged that a full IT system restoration was conducted during the year. In addition an external specialist company is employed to conduct an annual system penetration test;
- Anthea Faulds from DHR completed a full Internal Audit during the year and the results were submitted to the Audit Committee;
- Reviewed a report on the successful implementation of the POPI Act. Provisions within the company; and
- Concluded that there were no material breakdowns in internal control.

5. FINANCIAL MANGER AND FINANCE FUNCTION

The committee:

- Considered the appropriateness of the experience and expertise of the company's financial manager and concluded that this was appropriate; and
- Considered the expertise, resources and experience of the financial function and concluded that these were appropriate.

6. EXTERNAL AUDIT

The committee:

- Nominated BDO South Africa Incorporated as auditors to the shareholders for appointment for the financial year ended December 31 2022, of the company, and ensured that the appointment complied with legal and regulatory requirements for the appointment of an auditor;
- Approved the external audit representation letters, the audit plan and the budgeted audit fees payable to the external auditors;
- Determined the nature and extent of all non-audit services provided by the auditors and pre-approved all non-audit services undertaken;
- Obtained assurances from the auditors that adequate accounting records were being maintained;
- Confirmed that no reportable irregularities had been identified or reported by the auditors under the Auditing Profession Act;
- Arranged for the auditors to conduct an extensive IT Audit in addition to the normal annual audit;
- Confirmed that the auditors for the year ended 31 December 2021 had not revealed any material items of concern that would need to be addressed;
- Two meetings were held with the external auditors during the year.

REPORT OF THE AUDIT COMMITTEE

INDEPENDENCE OF EXTERNAL AUDITORS

The committee is satisfied that BDO Cape Incorporated is independent of the company after taking the following factors into account:

- Representations made by the auditors to the committee;
- The auditors do not, except as external auditors or in rendering permitted non-audit services, receive any remuneration or other benefit from the company;
- The auditors' independence was not impaired by any consultancy, advisory or other work undertaken;
- The auditors' independence was not prejudiced as a result of any previous appointment as auditors; and
- The criteria specified for independence by the Independent Regulatory Board for Auditors and international regulatory bodies.

7. RISK MANAGEMENT AND LEGAL REQUIREMENTS

The committee

- Reviewed the company's policies on risk management, including information technology risks and found them to be sound;
- Reviewed with management legal matters that could have a material impact on the company;
- Reviewed the adequacy and effectiveness of the company's procedures to ensure compliance with legal and regulatory responsibilities;
- Considered reports provided by management, internal assurance providers and the external auditors regarding compliance with legal regulatory requirements; and
- Arrange for IT Insurance to cover possible computer hacking and ransom attacks.

8. OPINION

The committee:

- The auditors are independent as detailed in point 6 above;
- The company's internal controls and risk management are sufficient, as detailed in point 4 above;
- The annual financial statements were prepared in accordance with international financial reporting standards (IFRS) and comply with these standards. It was recommended that the board approve the statements;
- The audit fee is reasonable taking into consideration such factors, as timing of the audit, the extent and scope of the work required, and has therefore been approved;
- There are no other matters which are to be revealed to shareholders, which have not been covered in the annual financial statements and directors' report.

9. DISCHARGE OF RESPONSIBILITIES

The committee determined that during the financial year under review it had discharged its legal and other responsibilities in terms of the Act. The Board concurred with this assessment.



H A F Patrick
Chairman – Audit Committee

Members

Chris Godenir – Chairman and Peninsula GM
Hugh Patrick – Peninsula Director
Anthea Faulds - Peninsula Management Director
Vee de Freitas – Peninsula Financial Manager
Brent Johansen – Peninsula Rooms Division Manager
Lwandile Makubalo – Peninsula Personnel & Committee Administrator
Kauthar Davids – Administration Office Manager

In 2022 the Peninsula Board confirmed the above committee to comply with Legislation and it has met 4 times over the past year with Hugh Patrick representing Share Block Directors and Anthea Faulds representing Peninsula Management Directors.

Purpose and Role of Committee

The committee assists the board in ensuring that the company is and remains a committed socially responsible corporate citizen. The commitment to sustainable development involves ensuring that the company conducts operations in a manner that meets existing needs without knowingly compromising the ability of future generations to meet their needs. The committee's primary role is to supplement, support, advise and provide guidance on the effectiveness or otherwise of management's efforts in respect of sustainable development, social and ethics related matters which, inter alia, include the following:

a) Health

The Peninsula offers all its employees the opportunity to participate in a medical aid scheme where the basic cover in Momentum Health for Me the contributions are 100% covered for the employee by The Peninsula. Every year there is a free wellness day when a local clinic runs a free testing centre at The Peninsula, this year taking place on the 14th and 15th September where free COVID vaccinations were encouraged and offered.

b) Occupational hygiene

The Peninsula Kitchen, Storerooms, Refuse Area, Bars and Change Rooms are inspected and audited 4 times a year by FCS. An independent organization Gripp Advisory services has been appointed to annually carry out a full Food Safety and Health and Safety Audit completed each year in December and certificate of compliance issued.

c) HIV/Aids

The Peninsula has a HIV Policy document in its policies and procedures. Free HIV testing is made available for all staff by a local Clinic on the awareness day mentioned under Health.

d) Ethics management

The Peninsula has a reputation for developmental management and has achieved some great success stories over the years. This is monitored and measured through a recognized performance management system and the completion of its annual workplace skills plan. In the staff "we care" workshops at the end of the year the theme for 2022 was a focus on the word for 2023 "Commitment" and identifying any areas of concern, it is quite clear that the Peninsula is seen as their safe haven but there is a hi level of stress and trauma being encountered within their home environments, 7 healing modalities were presented with each staff member selecting the one they most related to and will receive a session at the start of the new year to assist them with coping mechanisms. The company has various external and internal audits throughout the year and is compliant with all legislation. POPI regulations for the protection of personal information have been implemented and Abdulah Davids our Compliance Officer has been registered with the regulator.

e) Corporate social investment

Through its active Equity Committee, The Peninsula has a well-prepared CSI plan which is prepared annually. Its main charity is the SOS Children's Village in Thornton, and it actively supports its "charity starts at home program", Red Cross Children's Hospital, Musiquelaine, Street Smart and other worthwhile requests that meet equity criteria. We support the Dream Hotels & Resorts main charity project Christel House a school based in Cape Town founded by Christel De Haan founder of RCI. In the New Year the Group will consolidate its fund-raising efforts under the NPO Touching Dreams to which all funds will be credited. The Directors of Share Block agreed to support the NPO with a monthly contribution of R5000 along with the internal fund-raising initiatives, likewise the Management Company will donate a % of income. The new National Project for the Group will be "Reach for a Dream" although direct funds raised by the Peninsula will be ring-fenced and use to benefit the selected projects chosen by the Equity Committee.

REPORT OF THE SOCIAL & ETHICS COMMITTEE

f) Environmental management

The Peninsula is supported by ERO, an environmental management company, and there is a working policy in place. There has been a new SEMP grading system which monitors energy, water, carbon footprint and waste and we are currently rated 4 stars on all 4 categories, our scores are proudly displayed on our website.

g) Sustainability strategy and framework

With both our 10-year capital expenditure plan and internal development plan, management have created a comprehensive framework and a sustainable business. The insurance cover and related values of buildings and its contents are regularly monitored by the Board.

h) Safety

The property in 2022 scored 84% for its external Health and Safety ORMS Audit and received a compliance certificate, which is completed annually. There is a strong Health and Safety Committee in place and all incidents are investigated and preventative measures actioned.

i) Labour

The company's employment relationships', working conditions and its contribution towards the educational development of its employees is monitored through our workplace skills plan and equity committee. Wage negotiations take place with SACCAWU every year when terms and conditions are negotiated and agreed. The policy of working a 5 day week has become a standard. After our annual wage negotiations were held in June with SACCAWU and staff agreed to an annual increase of 5% in July 2022 and an additional 3% increase in January 2023.

Statutory duties

- 1) To monitor the company's activities with regard to matters relating to:
 - a) Social & economic development, including the company's standing in terms of:
 - i) The 10 principles of the United Nations Global Compact.
 - ii) The OECD recommendations regarding corruption.
 - iii) The Employment Equity Act.
 - iv) The Broad Based Black Economic Empowerment Act.
 - b) Promotion of equality, prevention of unfair discrimination and reduction of corruption.
 - c) Contribution to the development of the communities in which it operates.
 - d) Recording of sponsorship, donations, and charitable giving.
 - e) The environment, health and public safety including the impact of the company's activities.
 - f) Consumer relationships including the company's advertising, public relations and compliance with consumer protection laws.
 - g) Labour and employment including:
 - i) The company's standing in terms of the International Labour Organizations Protocol on decent work and working conditions.
 - ii) The company's employment relationship and its contribution toward the educational development of its employees.
- 2) To draw matters within its mandate to the attention of the board as the occasion requires.
- 3) To report, through one of its members, to the shareholders at the company's annual general meeting, on the matters within its mandate.

The Committee is pleased to report that for all the above The Peninsula is compliant. It is externally and internally audited and has very acceptable scores for both Health and Safety and Food Hygiene. Its Workplace Skills Plan is completed and Workmen's Compensation, UIF and SARS are paid on time.



Chairman – C D Godenir

STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2022

		2022	2021
	Notes	R	R
ASSETS			
CURRENT ASSETS		20 810 115	23 037 552
Inventory	4	211 942	141 022
Loans and receivables	5	1 280 650	313 339
Share block holders for outstanding levies	6	2 612 883	3 788 036
Other receivables	6	1 049 668	236 355
Investments	7	9 625 774	9 156 236
Bank balance and cash	8	6 029 198	9 402 564
TOTAL ASSETS		<u>20 810 115</u>	<u>23 037 552</u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES		7 346 674	12 027 447
Share capital	9	401	401
Reserve for expenditure on fixed assets	11	7 346 273	12 027 046
CURRENT LIABILITIES		13 463 441	11 010 105
Accounts payable	12	2 718 609	2 452 413
Prepaid levies		10 328 361	8 362 781
Taxation		416 471	194 911
TOTAL EQUITY AND LIABILITIES		<u>20 810 115</u>	<u>23 037 552</u>

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
	Notes	R	R
REVENUE	14	40 763 241	40 824 388
Operating expenses		(35 658 671)	(31 452 095)
Operating profit	15	5 104 570	9 372 293
Investment revenue		1 100 748	966 412
Profit before taxation		6 205 318	10 338 705
Taxation	16	(221 560)	(193 732)
Total comprehensive income		5 983 758	10 144 973

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Share Capital R	Reserve for Expenditure on Assets R	Accumulated profits R	Total R
Balance at 31 December 2020	401	8 927 552	-	8 927 953
Total comprehensive income for the year	-	-	10 144 973	10 144 973
Transfer to reserve	-	10 144 973	(10 144 973)	-
Expenditure against reserve	-	(7 045 479)	-	(7 045 479)
Balance at 31 December 2021	401	12 027 046	-	12 027 447
Total comprehensive income for the year	-	-	5 983 758	5 983 758
Transfer to reserve	-	5 983 758	(5 983 758)	-
Expenditure against reserve	-	(10 664 531)	-	(10 664 531)
Balance at 31 December 2022	401	7 346 273	-	7 346 674
Notes	9	11		

The

PENINSULA

SHARE BLOCK (PROPRIETARY) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
	Note	R	R
CASH INFLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	2	515 101	6 723 031
Interest received		552 962	727 872
Taxation paid	4	0	(177 349)
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES		<u>1 068 063</u>	<u>7 273 554</u>
CASH UTILISED FROM RESERVE FOR EXPENDITURE ON FIXED ASSETS			
		(7 205 576)	(7 045 479)
CASH FLOW FROM INVESTING ACTIVITIES			
Unit trusts acquired		0	(9 000 000)
		<u>0</u>	<u>(9 000 000)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from intercompany loans		3 448 408	1 154 640
Repayment on intercompany loans		(684 261)	(783 113)
NET CASH FROM FINANCING ACTIVITIES		<u>2 764 147</u>	<u>371 527</u>
TOTAL CASH MOVEMENT FOR THE YEAR		(3 373 366)	(8 400 398)
CASH AT BEGINNING OF YEAR		<u>9 402 564</u>	<u>17 802 962</u>
CASH AT THE END OF THE YEAR		<u>6 029 198</u>	<u>9 402 564</u>

1. ACCOUNTING POLICIES**Presentation of Annual Financial Statements**

The financial statements are prepared in accordance with International Financial Reporting Standards and the Companies Act 71 of 2008. The annual financial statements are prepared under the historical cost basis except where otherwise indicated below. These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Financial assets measured at cost and amortised cost

The company assesses its financial assets measured at cost and amortised cost for impairment at each statement of financial position date. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Allowance for slow moving, damaged and obsolete inventory

An allowance for inventory to write inventory down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the operating profit note.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate taxation determination is uncertain which the company recognises during the ordinary course of business. The liabilities for anticipated taxation audit final taxation outcome issues are based on estimates of whether additional taxes will be due. Where the final taxation outcome of the income taxation and these matters is different from the amounts that were initially recorded, such differences will impact the income taxation and deferred taxation provisions in the period in which such determination is made.

The company recognises the net future taxation benefit related to deferred income taxation assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income taxation assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing taxation laws in each jurisdiction.

To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred taxation assets recorded at the end of the reporting period could be impacted.

Estimation of expected credit loss allowance

In recognising and measuring the expected credit loss allowance (ECL), management is required to make certain judgements and estimates as follows:

Trade and other receivables

The company has applied the simplified approach to measuring the impairment allowance for trade and other receivables, which uses a lifetime expected loss allowance.

Historical loss rate/ historical credit quality forward looking factors:

The Company's historical credit loss rate has been low.

The historical loss rates have been used for the previous few years of assessment and these are the most relevant and timely information.

The following reasonable and supportable information has been taken into account, as part of the forward looking factors, namely:

- The Company's long standing trade history and trade relationships with its customer base.
- Forward-looking information such as the likelihood of default and economic conditions of the industry.
- Macro-economic factors affecting customers' ability to settle amounts owing, including the following:
 - a) Foreign currency exchange rates
 - b) Increases in customer local inflation and interest rates as this would erode a customers' purchasing power
 - c) General customer confidence in regards to their own financial situations

1.2 Revenue Recognition

The company recognises revenue from the following major sources:

- Levy income from class A shareholders
- Class B levy income

The entity's accounting policy in line with IFRS 15 is:

Revenue represents income arising in the course of ordinary activities, being those activities as highlighted above.

Revenue is recognised over a period of time as the performance obligations are fulfilled with the customer.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts, volume rebates and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.3 Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

1.4 Current taxation

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset. Current tax assets for the current and prior periods are measured at the amount expected to be recovered from the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

1.5 Levies received

Share Block owners are obliged, by way of agreement, to contribute levies to enable the company to defray its expenditure.

1.6 Financial Instruments

Financial instruments are initially recognised at fair value.

Financial instruments at amortised cost

Financial instruments may be designated to be measured at amortised cost less any impairment using the effective interest method. These include trade and other receivables, cash and cash equivalents, loans and trade and other payables. At the end of each reporting period, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment. This includes equity instruments held in unlisted investments.

Financial instruments carried on the balance sheet include cash and bank balances, prepaid expenses, other debtors, share block holders for outstanding levies, creditor and prepaid levies. These items are carried as follows:

Prepaid expenses and other debtors:

Prepaid expenses and other debtors are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Share block holders for outstanding levies:

Trade and other receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Creditors and prepaid levies:

Creditors and prepaid levies are stated at nominal value.

1.6.1 IFRS 9 Financial instrumentsLoans receivable

The company has adopted the general approach, which takes into account the three-stage approach, with respect to the recognition of credit losses being:

- Stage 1: Credit risk has not increased significantly since initial recognition - 12 month ECL.
- Stage 2: Credit risk has increased significantly since initial recognition. Lifetime ECL and effective interest on gross amount.
- Stage 3: Credit risk has increased significantly since initial recognition. Lifetime ECL and effective interest on net amount.

1.7 **Inventory**

Inventory consists of stationery, guest and cleaning supplies listed as other consumables.

A reserve for expenditure on inventory is provided for. This reserve is intended to provide for the acquisition and replacement of inventory.

2. **Standards and interpretations**2.1 **Standards and interpretations effective and adopted in the current year**

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation :	Effective Date : Years beginning on or after	Expected impact :
• IFRS 17 Insurance Contracts	01 January 2021	The impact of the standard is not material.
• Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021	01 January 2021	The impact of the standard is not material.

2.2 **Standards and interpretations effective and adopted in the prior year**

In the prior year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation :	Effective Date : Years beginning on or after	Expected impact :
• Presentation of Financial Statements: Disclosure initiatives	01 January 2021	The impact of the standard is not material.
• Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure initiative	01 January 2021	The impact of the standard is not material.

2.3 **Standards and interpretations not yet effective**

The following standards and interpretations are not yet effective for the current financial year and the entity has elected not to early adopt these:

• Amendments to IFRS 3: Reference to the Conceptual Framework The impact of the standard on the entity is not expected to be material.	01 April 2021
• Amendments to IAS 16: Proceeds before Intended Use The impact of the standard on the entity is not expected to be material.	01 January 2022
• Amendments to IAS 37: Onerous Contracts—Cost of Fulfilling a Contract The impact of the standard on the entity is not expected to be material.	01 January 2022
• IFRS 17 Insurance Contracts; incl. Amendments to IFRS 17 (issued on 25 June 2020) The impact of the standard on the entity is not expected to be material.	01 January 2023
• Initial Application of IFRS 17 and IFRS 9 - Comparative Information The impact of the standard on the entity is not expected to be material.	01 January 2023
• Amendments to IAS 1: Classification of Liabilities as Current or Non-current; incl. Amendment to IAS 1: Classification of Liabilities as Current or Non-current—Deferral of Effective Date The impact of the standard on the entity is not expected to be material.	01 January 2023
• Amendments to IAS 1 and IAS 8 - Disclosure of Accounting Policies and Definition of Accounting Estimates The impact of the standard on the entity is not expected to be material.	01 January 2023
• Amendments to IAS 12 - Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction The impact of the standard on the entity is not expected to be material.	01 January 2023

3. **SHARE BLOCK HOLDERS LOANS & SHAREHOLDERS' LOANS**

Amounts previously recognised viz property, plant and equipment (R113,017,785) including revaluation reserve (R93,732,944) were derecognised in accordance with the guide in financial reporting by share block companies. The net difference (R19,284,841) was set off against amount due by shareholders (R18,000,000) and replacement reserve (R1,284,841). The title deed is still registered under the company with the municipal valuation of R174 million.

The Company has adopted the International Financial Reporting Standards (IFRS) as of 2011 which requires specific accounting for Share Block companies. This required that the Property, namely Erf 1202, Sea Point West, Cape Town, the size of which is 5,738 square metres, be derecognized, as no future benefit is retained by the Share Block Company, because such benefits have been passed to timeshare owners who have acquired the right to occupy a specific unit for a specific period in each year.

4. **INVENTORY**

Inventory comprises:	2022 R	2021 R
Stationery	106 075	79 943
Cleaning materials	19 632	17 926
Guest supplies	86 235	43 153
	<u>211 942</u>	<u>141 022</u>

At the reporting date no indication was noted suggesting a possible impairment of the inventory on hand and therefore no provision for obsolescence has been raised.

5. **LOANS AND RECEIVABLES**

Peninsula Management (Proprietary) Limited - Interest free loan	310 782	313 339
The above loan is unsecured and interest free. Terms of repayment: 30 days.		
- Interest bearing loan	969 868	-
The above loan is repayable over 2 years at 8% per annum, with 22 months remaining at year - end.		
	<u>1 280 650</u>	<u>313 339</u>

The fair values of these loans and receivables approximate their carrying amounts.

The loan has not been impaired in the past and there is no provision for impairment considered necessary.

6. **TRADE AND OTHER RECEIVABLES**

Financial instruments

Share block holders for outstanding levies	2 612 883	3 788 036
Sundry debtors	8 000	78 535
Staff loans	3 615	2 324

Non - financial instruments

Prepayments	1 038 053	155 496
	<u>3 662 551</u>	<u>4 024 391</u>

Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

The risk of default is also mitigated by the fact management are able to sell the timeshare weeks to defray the cost of the outstanding debt.

In order to mitigate the risk of financial loss from defaults, the company only deals with reputable customers with consistent payment histories.

Sufficient collateral or guarantees are also obtained when appropriate. Each customer is analysed individually for creditworthiness before terms and conditions are offered. Statistical credit scoring models are used to analyse customers. These models make use of information submitted by the customers as well as external bureau data (where available). Customer credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of customers, is continuously monitored.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

CONTINUED

6. TRADE AND OTHER RECEIVABLES (continued)

Expected credit loss

The Company applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

The balance of trade receivables have been assessed on a collective basis as the items possess shared credit risk characteristics.

	2022	2022	2021	2021
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
	R	R	R	R
Expected credit loss rate:				
0 - 60 days past due: 0% (2021: 0%)	2 612 883	-	3 788 036	-
61 - 90 days past due: 0% (2021: 0%)	-	-	-	-
More than 90 days past due: 0% (2021: 0%)	-	-	-	-
	2 612 883	-	3 788 036	-

Management has assessed the outstanding debtors and does not deem it necessary to raise an allowance for expected credit losses as the end of the financial year.

7. INVESTMENTS

Investment comprises:

Unit trusts

	2022	2021
	R	R
33809.82 units in Allan Gray Coronation Strategic Income Fund (Class P) (2021: 32434.31)	514 261	500 102
258294.84 units in Allan Gray Mi-Plan Enhanced Income Fund (Class A1) (2021: 246533.71)	2 680 532	2 574 231
0 units in Boutique Collective Investments Income Plus Fund A (2021: 2695892.19)	-	3 043 123
2905132.86 units in Boutique Collective Investments Sasfin Flexible Income Fund A (2021: 2971330.63)	3 205 524	3 038 780
3198272.17 units in Boutique Collective Investments Best Blend Flexible Income Fund Class C (2021: 0)	3 225 457	-
	9 625 774	9 156 236

8. BANK AND CASH

Bank and cash consists of:

Cash at bank	6 029 198	9 402 564
	6 029 198	9 402 564

The credit quality of cash at banks and short term deposits, excluding cash on hand, that are neither past due nor impaired can be assessed with reference to external credit ratings or historic information about counterparty default rates:

Credit ratings

Standard Bank Limited (Ba1)	6 029 198	8 436 649
Investec Bank Limited (Ba1)	-	965 915
	6 029 198	9 402 564

9. SHARE CAPITAL

Authorised and issued

40 040 "A" class ordinary shares of 1c each, divided into 40 040 share blocks of 1 share each

16 "B" class ordinary shares of 5c each, comprising 1 block of 16 shares

	400	400
	1	1
	401	401

10. RETAINED INCOME

Balance at 31 December 2020

Total comprehensive income for the year

Transfer to reserve

Balance at 31 December 2021

Total comprehensive income for the year

Transfer to reserve

Balance at 31 December 2022

	-
	10 144 973
	(10 144 973)
	-
	5 983 758
	(5 983 758)
	-

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

CONTINUED

	2022 R	2021 R
11. RESERVE FOR EXPENDITURE ON FIXED ASSETS		
Balance at beginning of year	12 027 046	8 927 552
Transfer of levy fund surplus for the year	5 983 758	10 144 973
Expenditure during the year	(10 664 531)	(7 045 479)
	<u>7 346 273</u>	<u>12 027 046</u>

The reserve for expenditure on fixed assets provides for the purchase, replacement, refurbishment and maintenance of the company's property.

12. ACCOUNTS PAYABLE		
Accounts payable comprises:		
Trade creditors	786 860	523 157
Vat payable	306 586	378 781
Other payables	1 625 163	1 550 475
TOTAL	<u>2 718 609</u>	<u>2 452 413</u>

Fair Value

The fair value of trade and other payables approximates its carrying amount.

13. PROVISIONS				
2022	Carrying amount at beginning of year R	Additional provisions R	Used during the year R	Carrying amount at end of year R
Annual bonus	-	1 128 031	(1 128 031)	-
	<u>-</u>	<u>1 128 031</u>	<u>(1 128 031)</u>	<u>-</u>
2021	Carrying amount at beginning of year R	Additional provisions R	Used during the year R	Carrying amount at end of year R
Annual bonus	-	1 015 564	(1 015 564)	-
	<u>-</u>	<u>1 015 564</u>	<u>(1 015 564)</u>	<u>-</u>

	2022 R	2021 R
14. REVENUE		
Revenue from contracts with customers		
Levy income	40 763 241	40 824 388

Disaggregation of revenue from contracts with customers

The company disaggregates revenue from customers as follows:

Provision of levy generating services

Class A Levies	39 389 784	39 078 499
Class B levies	1 373 457	1 745 889
	<u>40 763 241</u>	<u>40 824 388</u>

Timing of revenue recognitionOver time recognition

Class A Levies	39 389 784	39 078 499
Class B levies	1 373 457	1 745 889
	<u>40 763 241</u>	<u>40 824 388</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

CONTINUED

15.	PROFIT FROM OPERATIONS	2022	2021
	Profit from operations is stated after:	R	R
	Interest received	1 100 748	966 412
	Rental charges	254 498	211 761
	Employee costs	18 981 775	17 030 667
16.	TAXATION		
	Except for taxation on interest income, the company is not liable for taxation on the surplus arising in the levy operating statement. Exemption from tax is claimed in terms of Section 10(1)(e) of the Income Tax Act. In determining the tax on interest income, interest earned on arrear levies is excluded and an appropriate portion of administration expenditure is claimed against interest received.		
	Current year	<u>221 560</u>	<u>193 732</u>
		<u>221 560</u>	<u>193 732</u>
	Reconciliation of rate of taxation:		
	South African normal taxation rate	28%	28%
	Adjusted for:		
	Disallowable expenditure	160%	85%
	Exempt income	-184%	-110%
	Effective rate:	<u>4%</u>	<u>3%</u>
17.	RELATED PARTIES		
	Relationship		
	Shareholder - Class B shares Peninsula Management (Proprietary) Limited		
	Related party balances		
	Amount owed by related parties		
	Peninsula Management (Proprietary) Limited	1 280 650	313 339
	Related party transactions		
	Management fees paid to related parties		
	Peninsula Management (Proprietary) Limited	1 348 608	1 285 612
	Levies received from related parties		
	Peninsula Management (Proprietary) Limited "B" Class levies	1 373 457	1 745 889
	Peninsula Management (Proprietary) Limited "A" Class levies	712 386	621 954

The Peninsula Management (Proprietary) Limited, a subsidiary within the Dream Hotels & Resorts group of companies, manages the company's timesharing scheme and related hotel operations, for which it receives an agreed fee. As a "B" Class shareholder, it pays levies to the company out of its trading income. As an "A" Class Shareholder, it pays levies according to the weekly levy set out in the Directors' Report.

18. FINANCIAL INSTRUMENTS

The company's operations expose it to a number of financial risks. A risk management programme has been established to protect the company against the potential adverse effects of these financial risks.

18.1 Sensitivity analysis

The group exposures to various financial risks are set out below:

2022 2021

Class of financial instrument: Carrying value	Interest rate risk	Interest rate risk
<i>Working capital balances</i>		
Other financial liability	-	-
Bank and cash	6 029 198	9 402 564
Net exposure	6 029 198	9 402 564

Class of financial instrument: Sensitivity to changes in underlying financial variables: Possible changes	Interest rate risk 1%	Interest rate risk 1%
<i>Working capital balances</i>		
Trade and loans receivable	-	-
Bank and cash	60 292	94 026
Net exposure	60 292	94 026

18.2 Financial risk management

18.2.1 Interest rate risk

Surplus cash flows exposed to interest rate risk are placed with recognised institutions and facilities which yield an acceptable rate of return.

18.3 Financial liabilities

18.3.1 Maturity analysis

31 DECEMBER 2022

Contractual undiscounted liabilities	Payable in 1 to 12 months	Payable in 1 to 5 years	Total
<i>Working capital balances</i>			
Trade and loans payable	2 718 609	-	2 718 609
Financial liability	-	-	-
Net exposure	2 718 609	-	2 718 609

31 DECEMBER 2021

Contractual undiscounted liabilities	Payable in 1 to 12 months	Payable in 1 to 5 years	Total
<i>Working capital balances</i>			
Trade and loans payable	2 452 413	-	2 452 413
Financial liability	-	-	-
Net exposure	2 452 413	-	2 452 413

18.3.2 Liquidity risk management

The company maintains sufficient cash and ensures that funds remain available through an adequate amount of credit facilities. The company manages its liquidity requirements by monitoring forecast cash flows.

18.3.3 Capital management

The company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern.

During 2022, the company's strategy, which was unchanged from 2021, was to maintain a debt free structure and maintain enough capital to ensure the availability of working capital.

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2022**

CONTINUED

19. FINANCIAL INSTRUMENT DISCLOSURE

31 DECEMBER 2022		Notes	Loans and receivables R	Available for sale R	Financial liabilities at amortised cost R	Non financial instruments R	Total R
ASSETS							
CURRENT ASSETS							
Inventory	4		3 905 148	15 654 972	-	1 249 995	20 810 115
Loan receivable	5		-	-	-	211 942	211 942
Share block holders for outstanding levies	6		1 280 650	-	-	-	1 280 650
Other receivables	6		2 612 883	-	-	-	2 612 883
Investments	7		11 615	-	-	1 038 053	1 049 668
Bank balance and cash	8		-	9 625 774	-	-	9 625 774
			-	6 029 198	-	-	6 029 198
TOTAL ASSETS			3 905 148	15 654 972	-	1 249 995	20 810 115
LIABILITIES							
CURRENT LIABILITIES							
Accounts payable	12		-	-	(2 412 023)	(11 051 418)	(13 463 441)
Prepaid levies			-	-	-	(306 586)	(2 718 609)
Taxation			-	-	-	(10 328 361)	(10 328 361)
			-	-	-	(416 471)	(416 471)
TOTAL LIABILITIES			-	-	(2 412 023)	(11 051 418)	(13 463 441)
CAPITAL AND RESERVES							7 346 674
31 DECEMBER 2021							
ASSETS							
CURRENT ASSETS							
Inventory	4		4 182 234	18 558 800	-	296 518	23 037 552
Loans receivable	5		-	-	-	141 022	141 022
Share block holders for outstanding levies	6		313 339	-	-	-	313 339
Other receivables	6		3 788 036	-	-	-	3 788 036
Investments	7		80 859	-	-	155 496	236 355
Bank balance and cash	8		-	9 156 236	-	-	9 156 236
			-	9 402 564	-	-	9 402 564
TOTAL ASSETS			4 182 234	18 558 800	-	296 518	23 037 552
LIABILITIES							
CURRENT LIABILITIES							
Accounts payable	12		-	-	(2 073 632)	(8 936 473)	(11 010 105)
Prepaid levies			-	-	-	(378 781)	(2 452 413)
Taxation			-	-	-	(8 362 781)	(8 362 781)
			-	-	-	(194 911)	(194 911)
TOTAL LIABILITIES			-	-	(2 073 632)	(8 936 473)	(11 010 105)
CAPITAL AND RESERVES							12 027 447

20. COVID-19 - GOING CONCERN

The Omicron variant made its appearance in the country in November 2021, causing several countries to issue travel bans from South Africa and its neighbouring countries. The country was entering a 4th wave by 1 December 2021. However, with the replicated vaccines available, further easing of restrictions came into effect on 23 March 2022, including dropping the requirement to wear masks outdoors, although it was still a requirement to wear masks indoors and in public vehicles, and reducing distancing to 1 metre. On 4 April 2022, the National State of Disaster was terminated, although some transitional provisions remained in place for a period of 30 days. All remaining health regulations regarding Covid-19 were ended on 22 June 2022. Early in 2022, the company focussed on the local tourist market, achieving high demand, which compensated for the loss of the international market due to the presence of the Omicron variant. By March 2022, the international market started returning. Business returned to pre-Covid normal by June 2022 and 2023 is looking strong with advance accommodation bookings already in place.

In relation to the Directors assessment of the ability of the entity to continue as a going concern, they are confident that the company will remain viable and will meet its obligations as they fall due in the ordinary course of business.

21. EVENTS AFTER THE REPORTING DATE

No abnormal events have taken place after the reporting date.

22. CONTINGENCIES AND COMMITMENTS

The major capital commitment for 2023 are listed below:

- Replacement of the 2 guest lifts, the service lift will be replaced in 2024
- Refurbishment of furniture and softs in 28 suites
- Refurbishment of bedroom cupboard fronts in 18 suites
- Replacing carpets in 27 suites
- Refurbishment of 10 suite bathrooms and 4 shower conversions
- Replacing floor tiles in 14 suite balconies
- Replacing balcony doors in 7 suites

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED
31 DECEMBER 2022

	2022 R	2021 R
1. The following convention applies to figures other than adjustments		
- Outflows of cash are represented by figures in brackets		
- Inflows of cash are represented by figures without brackets		
2. CASH GENERATED BY SHARE BLOCK OPERATIONS		
Profit / (Loss) before taxation	6 200 916	10 338 705
Adjusted for:		
Changes in fair value	78 248	82 304
Interest income	(1 100 748)	(966 412)
Non-cash income statement items	<u>(3 534 884)</u>	<u>(966 535)</u>
	1 643 532	8 488 062
3. CHANGES IN WORKING CAPITAL		
Decrease (increase) in inventories	(70 920)	(7 592)
Decrease (increase) in trade and other receivables	361 840	(443 830)
Increase (decrease) in trade and other payables	(1 419 351)	(1 313 609)
	<u>515 101</u>	<u>6 723 031</u>
4. TAXATION PAID		
Taxation receivable (payable) at beginning of year	(194 911)	(178 528)
Per levy operating statement	(221 560)	(193 732)
Taxation payable (receivable) at end of year	416 471	194 911
	<u>-</u>	<u>(177 349)</u>

The

PENINSULA

SHARE BLOCK (PROPRIETARY) LIMITED

LEVY OPERATING STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

Levy fund established in terms of Section 13 of the Share Blocks Control Act.

	2022 R	2021 R
INCOME		
Levies		
- A class shareholders	39 389 784	39 078 499
- B class shareholders	1 373 457	1 745 889
Interest received	1 100 748	966 412
	41 863 989	41 790 800
EXPENDITURE		
ADMINISTRATION	2 108 515	1 923 178
Auditors' remuneration	87 216	75 163
Payroll administration	72 000	72 000
Bank charges	44 939	42 944
Insurance	800 057	692 184
Legal & consulting fees	24 500	10 000
Levy collection fee	2 821	12 115
Credit card commissions	183 646	166 866
License fees	343 238	345 710
Postage and stationery	176 623	157 043
Printing	165 298	150 717
BEE / CIPC / Hotel grading / H & S audit	30 093	28 363
CSOS levies	52 800	52 800
Subscriptions	77 691	66 698
Donations	10 191	11 363
Television licenses	37 402	39 212
	6 823 783	5 714 085
PROPERTY		
Electricity	3 125 156	2 398 165
Rates	2 153 525	2 053 572
Sewerage	606 700	502 610
Refuse	156 659	108 636
Water	781 743	651 102
	1 280 703	1 260 586
MAINTENANCE		
Building	281 691	279 051
Computer	146 069	140 136
Electrical and mechanical	92 412	88 776
Elevators	188 140	189 148
Grounds and gardens	94 921	121 851
Indoor plants	105 015	100 511
Laundry equipment	80 800	53 523
Light bulbs	896	2 857
Miscellaneous and office equipment	-	983
Motor vehicles	45 763	30 309
Painting materials	73 567	61 897
Pest control	67 524	66 442
Pool	36 557	26 556
Telephone and PABX	46 049	68 916
Television	21 299	29 630
	10 213 001	8 897 849
Balance carried forward		

LEVY OPERATING STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

Levy fund established in terms of Section 13 of the Share Blocks Control Act.

	2022 R	2021 R
Balance brought forward	10 213 001	8 897 849
SUNDRY & OPERATIONAL	4 782 541	3 943 902
Cartage and transport	9 053	10 938
Flowers	77 740	76 750
Guest entertainment	809 362	451 912
Guest supplies	844 262	725 029
Laundry/cleaning supplies	427 074	340 027
DSTV	444 890	423 850
Wireless services	183 021	155 776
Petrol and travelling	303 625	164 305
Replacement of operating equipment	197 605	219 046
Security	1 485 909	1 376 269
RENTAL CHARGES	254 498	211 761
Photostat rental	189 902	159 776
Vehicle rental	64 596	51 985
SALARIES AND WAGES	18 981 775	17 030 667
Administration	4 928 709	4 639 594
Casual wages	273 587	348 613
Sunday pay	618 693	431 027
Front office	6 598 829	5 803 379
Housekeeping & Laundry	4 800 397	4 315 390
Repairs and maintenance	1 761 560	1 492 664
MANAGEMENT FEES	1 348 608	1 285 612
CAPITAL (PROFIT) / LOSS ON INVESTMENT	78 248	82 304
TOTAL EXPENDITURE	35 658 671	31 452 095
EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR	6 205 318	10 338 705
TAXATION ON INVESTMENT INCOME (note 16)	(221 560)	(193 732)
GROSS TRANSFER TO RESERVE FOR EXPENDITURE ON FIXED ASSETS	5 983 758	10 144 973

**LEVY OPERATING STATEMENT & BUDGET
FOR THE YEAR ENDED 31 DECEMBER 2022 AND 31 DECEMBER 2023**

	Budget 2022 R	Actual 2022 R	Budget 2023 R
INCOME			
Levies			
- A class shareholders	39 389 784	39 389 784	42 736 152
- B class shareholders	1 365 591	1 373 457	1 465 726
Interest received	1 206 667	1 100 748	868 800
	41 962 042	41 863 989	45 070 678
EXPENDITURE			
ADMINISTRATION	2 151 388	2 108 515	2 370 099
Auditor's remuneration	87 210	87 216	87 672
Payroll administration	75 540	72 000	76 320
Bank charges	52 800	44 939	46 800
Insurance	733 181	800 057	864 597
Legal & consulting fees	60 000	24 500	60 000
Levy collection fee	30 000	2 821	30 000
Credit card commissions	180 600	183 646	186 000
License fees	373 188	343 238	387 012
Postage and stationery	177 600	176 623	187 200
Printing	168 000	165 298	177 600
BEE / CIPRO / Hotel grading / H & S audit	31 800	30 093	33 600
CSOS levies	52 800	52 800	52 800
Subscriptions	77 957	77 691	81 786
Donations	12 000	10 191	60 000
Television licenses	38 712	37 402	38 712
PROPERTY	6 158 664	6 823 783	7 062 246
Electricity	2 742 907	3 125 156	3 160 290
Rates	2 161 911	2 153 525	2 274 488
Sewerage	498 115	606 700	641 356
Refuse	107 650	156 659	160 140
Water	648 081	781 743	825 972
MAINTENANCE	1 368 389	1 280 703	1 287 299
Building	299 000	281 691	318 000
Computer	148 320	146 069	157 200
Electrical and mechanical	92 400	92 412	97 800
Elevators	194 857	188 140	61 500
Fire extinguishers & alarm systems	9 600	-	-
Grounds and gardens	132 000	94 921	139 200
Indoor plants	105 868	105 015	110 635
Laundry equipment	69 600	80 800	84 000
Light bulbs	6 000	896	-
Miscellaneous and office equipment	2 400	-	-
Motor Vehicles	30 000	45 763	42 000
Painting materials	88 000	73 567	88 000
Pest control	69 168	67 524	69 168
Pool	24 000	36 557	34 200
Telephone and PABX	68 916	46 049	68 916
Television	28 260	21 299	16 680
Balance carried forward	9 678 441	10 213 001	10 719 644

LEVY OPERATING STATEMENT & BUDGET
FOR THE YEAR ENDED 31 DECEMBER 2022 AND 31 DECEMBER 2023

	Budget 2022 R	Actual 2022 R	Budget 2023 R
Balance brought forward	9 678 441	10 213 001	10 719 644
SUNDRY & OPERATIONAL	4 752 886	4 782 541	5 070 821
Cartage and transport	11 880	9 053	9 300
Flowers	76 840	77 740	82 396
Guest entertainment	749 200	809 362	853 000
Guest supplies	846 000	844 262	864 000
Laundry/cleaning supplies	354 000	427 074	439 200
DSTV	462 237	444 890	467 253
Wireless services	240 000	183 021	180 564
Petrol and travelling	290 500	303 625	330 500
Replacement of operating equipment	210 000	197 605	222 000
Security	1 512 229	1 485 909	1 622 608
RENTAL CHARGES	256 288	254 498	297 163
Photostat rental	176 788	189 902	215 163
Vehicle rental	79 500	64 596	82 000
SALARIES AND WAGES	19 354 426	18 981 775	20 795 359
Administration	5 029 974	4 928 709	5 412 730
Casual wages	367 324	273 587	289 500
Sunday & public holiday pay	576 011	618 693	678 509
Front office	6 722 980	6 598 829	7 151 761
Housekeeping & Laundry	4 856 333	4 800 397	5 499 657
Repairs and maintenance	1 801 804	1 761 560	1 763 202
MANAGEMENT FEES	1 348 608	1 348 608	1 451 100
CAPITAL (PROFIT) / LOSS ON INVESTMENT	-	78 248	-
CONTINGENCY	20 000	-	20 000
TOTAL EXPENDITURE	35 410 649	35 658 671	38 354 087
EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR	6 551 393	6 205 318	6 716 591
TAXATION FOR THE YEAR	(337 867)	(221 560)	(243 264)
GROSS TRANSFER TO RESERVE FOR EXPENDITURE ON FIXED ASSETS	6 213 526	5 983 758	6 473 327

The

PENINSULA

SHARE BLOCK (PROPRIETARY) LIMITED

LEVY EXPENSE SUMMARY

Expense Category	Budget 2022		Actual 2022		Budget 2023	
	Average per unit per day R	Percentage of total levy %	Average per unit per day R	Percentage of total levy %	Average per unit per day R	Percentage of total levy %
Administration	53.73	5	52.66	5	59.19	5
Property	153.81	15	170.42	16	176.38	16
Maintenance	34.18	3	31.99	3	32.15	3
Sundry & operational	118.70	11	119.44	11	126.64	11
Rental	6.40	1	6.36	1	7.42	1
Salaries & wages	483.38	46	474.07	45	519.36	47
Management fees	33.68	3	33.68	3	36.24	3
Contingency	0.50	0	0.00	0	0.50	0
Total expenditure	884.38	84	888.62	85	957.89	85
Surplus transferred to reserve for expenditure on fixed assets	163.62	16	154.98	15	167.75	15
TOTAL	1048.00	100	1043.60	100	1125.64	100

The

PENINSULA

SHARE BLOCK (PROPRIETARY) LIMITED Reg. No. 1938/011635/07
("the company")

310 Main Road
Bryanston 2021
P.O.Box 786027
Sandton 2146
Tel: 0112678300 / 0214307777
Fax: 0117061044 / 0864719721

Notice to "A" Members

Notice is hereby given that the thirty third annual general meeting of the "A" class shareholders of The Peninsula Share Block (Proprietary) Limited ("**the Company**") ("**AGM**") will be held at The Peninsula, 313 Beach Road, Sea Point, Cape Town on the 25th May 2023 at 11h30, to deal with such business as may lawfully be dealt with at the meeting in the manner required by the Companies Act, No. 71 of 2008 (as amended) ("**the Companies Act**"), as read with the Share Block Property Control Act, No. 59 of 1980 as amended.

Record Dates

In terms of sections 59(1)(a) and (b) of the Companies Act, the Board of the Company has set the record dates for the purposes of determining which shareholders are entitled to receive notice, participate in, vote:

- Record date to receive the notice of the AGM Monday, 1 May 2023
- Record date to be eligible to participate in and vote at the AGM Friday, 19 May 2023
- Last date for lodging proxy forms 11:30 Tuesday, 23 May 2023

Kindly note that in terms of section 63(1) of the Companies Act, meeting participants (including proxies) will be required to provide reasonably satisfactory identification before being entitled to participate in or vote at the AGM. Forms of identification that will be accepted include original and valid identity documents, driver's licences and passports.

Electronic Participation

The Company intends to offer shareholders reasonable access to attend the AGM through electronic conference call facilities, in accordance with the provisions of the Companies Act. Shareholders wishing to participate electronically in the AGM are required to deliver written notice to the Company at 313 Beach Road, Sea Point, Cape Town (marked for the attention of the General Manager) or by e-mail to account@peninsula.co.za, by no later than 12h00 on Monday, 22 May 2023 that they wish to participate via electronic communication at the AGM ("**the electronic notice**"). In order for the electronic notice to be valid it must contain:

- If the shareholder is an individual, a certified copy of their identity document or passport;
- If the shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution, which resolution must set out who from the relevant entity is authorised to represent the relevant entity at the AGM via electronic communication; and
- A valid e-mail address and/or facsimile number (the contact address/number), telephone and/or cell phone number.

Voting on shares will not be possible via electronic communication and accordingly shareholders participating electronically and wishing to vote their shares at the AGM will need to be represented at the AGM, either in person, by proxy or by letter of representation. The Company shall use its reasonable endeavours on or before close of business on Tuesday, 23 May 2023, to notify the shareholder who has delivered a valid

The

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electronic notice, at its contact address/number, of the relevant details through which the shareholder can participate via electronic communication.

Agenda

1. To consider the report of the directors, audit committee and external auditors insofar as they relate to the levy fund for the period ended 31 December 2022. (Please note: The Annual Report, which includes the report of the directors, audit committee and external auditors, as well as the levy fund, can be found on www.peninsula.co.za.)
2. To determine the amount and manner of insurance of the improvements on the unit property.
3. General – Items for discussion only.

Items for discussion under any agenda item should be advised to the secretary at the Company's registered office at the above address, by no later than 12 noon on 22 May 2023. Such notification must be in writing and be fully motivated to avoid any unnecessary lengthy discussion at the meeting.

Any shareholder entitled to attend and vote is entitled to appoint a proxy to attend, vote, and speak in his stead and such proxy need not also be a shareholder of the Company. Proxy forms should be forwarded to reach the offices of the Company by no later than 48 hours before the time appointed for the holding of the meeting.

Please note: The Annual Report can be found on www.peninsula.co.za.

By order of the board



Leisure Options (Pty) Ltd
Secretaries

31 March 2023

The

PENINSULA

SHARE BLOCK (PROPRIETARY) LIMITED Reg. No. 1938/011635/07
("the Company")

310 Main Road
Bryanston 2021
P.O.Box 786027
Sandton 2146
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Fax: 0117061044 / 0864719721

Notice to all "A" and "B" class shareholders

Notice is hereby given that the thirty third annual general meeting of the "A" and "B" class shareholders (being all the shareholders) of The Peninsula Share Block (Proprietary) Limited ("**the Company**") ("**AGM**") will be held at The Peninsula, 313 Beach Road, Sea Point, Cape Town on the 25th May 2023 at 12h00 (or immediately after the annual general meeting of the "A" class shareholders scheduled for 11h30, whichever is the later time), to deal with such business as may lawfully be dealt with at the meeting and the ordinary resolutions, set out hereunder, in the manner required by the Companies Act, No. 71 of 2008 (as amended) ("**the Companies Act**"), as read with the Share Block Property Control Act, No. 59 of 1980 as amended.

Record Dates

In terms of sections 59(1)(a) and (b) of the Companies Act, the Board of the Company has set the record dates for the purposes of determining which shareholders are entitled to receive notice, participate in, vote:

- Record date to receive the notice of the AGM Monday, 1 May 2023
- Record date to be eligible to participate in and vote at the AGM Friday, 19 May 2023
- Last date for lodging proxy forms 12:00 Tuesday, 23 May 2023

Kindly note that in terms of section 63(1) of the Companies Act, meeting participants (including proxies) will be required to provide reasonably satisfactory identification before being entitled to participate in or vote at the AGM. Forms of identification that will be accepted include original and valid identity documents, driver's licences and passports.

Electronic Participation

The Company intends to offer shareholders reasonable access to attend the AGM through electronic conference call facilities, in accordance with the provisions of the Companies Act. Shareholders wishing to participate electronically in the AGM are required to deliver written notice to the Company at 313 Beach Road, Sea Point, Cape Town (marked for the attention of the General Manager) or by e-mail to account@peninsula.co.za, by no later than 12h00 on Monday, 22 May 2023 that they wish to participate via electronic communication at the AGM ("**the electronic notice**"). In order for the electronic notice to be valid it must contain:

- If the shareholder is an individual, a certified copy of their identity document or passport;
- If the shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution, which resolution must set out who from the relevant entity is authorised to represent the relevant entity at the AGM via electronic communication; and
- A valid e-mail address and/or facsimile number (the contact address/number), telephone and/or cell phone number.

Voting on shares will not be possible via electronic communication and accordingly shareholders participating electronically and wishing to vote their shares at the AGM will need to be represented at the AGM, either in person, by proxy or by letter of representation.

The
PENINSULA

SHARE BLOCK (PROPRIETARY) LIMITED Reg. No. 1938/011635/07
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The Company shall use its reasonable endeavours on or before close of business on Tuesday, 23 May 2023, to notify the shareholder who has delivered a valid electronic notice, at its contact address/number, of the relevant details through which the shareholder can participate via electronic communication.

Agenda

1. To consider the annual financial statements for the period ended 31 December 2022. (Please note: The Annual Report, which includes the annual financial statements, can be found on www.peninsula.co.za.)
2. Ordinary Resolution Number 1
To appoint BDO Cape Inc. as the auditors of the Company.
The reason for the resolution is to ensure that the Company continues to enjoy the services of an auditor and the additional assurance this provides to the directors and shareholders. The effect of the resolution, if passed, will be to achieve such continuity.
3. Ordinary Resolution Number 2
To approve the re-appointment as directors of the Company, of Hugh Patrick and Weston Dickson. Pursuant to the Companies Act, the re-appointment of each of the above named directors shall be conducted by a separate show of hands or a separate poll, as applicable.
The reason for the resolution is that in terms of clause 19 of the Memorandum of Incorporation ("Mol") of the Company, each director elected by the "A" class shareholders shall be entitled to hold office for a period of 3 (three) years, whereafter each such director shall automatically retire from office, but shall be eligible for re-election. The two abovenamed directors have advised the Company of their willingness to be re-elected as directors of the Company. The effect of the resolution, if passed, will be to secure the re-election of experienced directors to the Board of the Company.
4. Ordinary Resolution Number 3
To approve the re-appointment of the Audit Committee of the Company, consisting of Hugh Patrick (Chairman), Weston Dickson and Nicholas Dickson.
The reason for the resolution is to ensure that the Company continues to appoint an Audit Committee, pursuant to the Companies Act and continues to enjoy the additional assurance this provides to the directors and shareholders. The effect of the resolution, if passed, will be to achieve such continuity.
5. Ordinary Resolution Number 4
To approve the re-appointment of the Social & Ethics Committee of the Company, consisting of Chris Godenir (Chairman), Hugh Patrick, Anthea Faulds, Vee de Freitas, Brent Johansen, Kauthar Davids and Lwandile Makubalo.
The reason for the resolution is to ensure that the Company continues to appoint a Social & Ethics Committee, pursuant to the Companies Act. The effect of the resolution, if passed, will be to achieve such continuity.

The

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6. To receive a report back on the progress of the Company in obtaining nominated e-mail addresses from all shareholders, for formal communications from the Company.

7. Ordinary Resolution Number 5

To approve that any director of the Company be and he is hereby authorised, on behalf of the Company, to do all things and sign all such documents as may be necessary to give effect to the foregoing resolutions.

The reason for the resolution is to ensure that the Company is able validly to give effect to the foregoing resolutions and that the directors of the Company are authorised to do so. The effect of the resolution, if passed, will be to achieve this.

8. General – Items for discussion only.

Items for discussion under any agenda item should be advised to the secretary at the Company's registered office at the above address, by no later than 12 noon on 22 May 2023. Such notification must be in writing and be fully motivated to avoid any unnecessary lengthy discussion at the meeting.

Any shareholder entitled to attend and vote is entitled to appoint a proxy to attend, vote, and speak in his stead and such proxy need not also be a shareholder of the Company. Proxy forms should be forwarded to reach the offices of the Company by no later than 48 hours before the time appointed for the holding of the meeting.

Please note: The Annual Report can be found on www.peninsula.co.za.

By order of the board



Leisure Options (Pty) Ltd
Secretaries

31 March 2023

The

PENINSULA

SHARE BLOCK (PROPRIETARY) LIMITED Reg. No. 1938/011635/07
("the company")

310 Main Road, Bryanston 2021

P.O.Box 786027, Sandton 2146

Tel: 0112678300 / 0214307777

Fax: 0117061044 / 0864719721

Form of proxy for use by the shareholders at the thirty third annual general meeting of "A" members of the Peninsula Share Block (Proprietary) Limited to be held at The Peninsula, 313 Beach Road, Sea Point, Cape Town on 25th May 2023 at 11h30.

Form of Proxy

I / We.....being the holder/s of "A" ordinary shares in the company appoint:

1.or failing him/her
2.or failing him/her
3. the chairman of the annual general meeting.

as my / our proxy to vote for me / us / on my / our behalf at the annual general meeting of "A" members, to be held on the abovementioned date and at any adjournment thereof as follows:

	In favour of	Against	Abstain
Resolution 1*			
Resolution 2*			

* Refer "Notice of meeting"

Signed at.....this.....day of.....2023.

.....
Signature Assisted by me (where applicable)

Notes

Unless otherwise instructed, specifically, as above, the proxy will vote as he / she thinks fit on all matters.

Any alteration or correction made to this form (including the deletion of alternatives, but excluding the deletion of singular / plural alternatives) must be initialed by the signatory/ies.

Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form.

The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms thereof, should such shareholder wish to do so.

Proxy forms should be forwarded to reach the offices of the company by no later than 48 hours before the time appointed for the holding of the meeting.

The

PENINSULA

SHARE BLOCK (PROPRIETARY) LIMITED Reg. No. 1938/011635/07
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Fax: 0117061044 / 0864719721

Form of proxy for use by the shareholders at the thirty third annual general meeting of "A" and "B" members of the Peninsula Share Block (Proprietary) Limited to be held at The Peninsula, 313 Beach Road, Sea Point, Cape Town on 25th May 2023 at 12h00 (or immediately after the annual general meeting of the "A" class members scheduled for 11h30, whichever is the later time).

Form of Proxy

I / We.....being the holder/s of "A" or "B" ordinary shares in the company appoint:

1. or failing him/her
2. or failing him/her
3. the chairman of the annual general meeting.

as my / our proxy to vote for me / us / on my / our behalf at the annual general meeting of "A" and "B" members, to be held on the abovementioned date and at any adjournment thereof as follows:

	In favour of	Against	Abstain
Resolution 1*			
Resolution 2*			
• Hugh Patrick			
• Weston Dickson			
Resolution 3*			
• Hugh Patrick			
• Weston Dickson			
• Nicholas Dickson			
Resolution 4*			
• Chris Godenir			
• Hugh Patrick			
• Anthea Faulds			
• Vee de Freitas			
• Brent Johansen			
• Kauthar Davids			
• Lwandile Makubalo			
Resolution 5*			

* Refer "Notice of meeting"

Signed at.....this.....day of.....2023.

Signature

Assisted by me (where applicable)

Notes

Unless otherwise instructed, specifically, as above, the proxy will vote as he / she thinks fit on all matters.

Any alteration or correction made to this form (including the deletion of alternatives, but excluding the deletion of singular / plural alternatives) must be initialed by the signatory/ies.

Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form.

The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms thereof, should such shareholder wish to do so. Proxy forms should be forwarded to each the offices of the company by no later than 48 hours before the time appointed for the holding of the meeting.